

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: GAS PIPELINE AND STORAGE RULES REVISIONS; EXECUTIVE ORDERS 8 AND 9, REVISIONS TO CHAPTER 10, 12, AND 13	DOCKET NO. RMU-03-5
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ORDER ADOPTING AMENDMENTS

(Issued May 29, 2003)

Pursuant to the authority of Iowa Code §§ 476.1, 476.2, 479.1, 479.6, 479.17, 479A.1, 479A.10, 479B.1, 479B.5, 479B.14, and 17A.4, the Utilities Board (Board) issued an order on March 13, 2003, in Docket No. RMU-03-5 to consider proposed amendments to pipeline rules in 199 IAC chapters 10, 12, and 13. The amendments relate primarily to the Board's pipeline permitting process. The rule making was published in the Iowa Administrative Bulletin in Vol. XXV, No. 20 (4/2/03) p. 1334 as ARC 2374B.

Timely comments were filed by the Consumer Advocate Division of the Department of Justice (Consumer Advocate), MidAmerican Energy Company (MidAmerican), and Interstate Power and Light Company (IPL). All comments supported the proposed amendments.

Two comments suggested additional modifications to the Board's rules. Consumer Advocate suggested a revision requiring that notices to property owners

state conspicuously that a proposed pipeline may be located anywhere within a quarter-mile corridor. Consumer Advocate stated that this early notification would facilitate discussions between the company and the landowner and hopefully prevent controversy if the pipeline is constructed in a different location within the corridor.

Consumer Advocate's comment addresses notice to landowners prior to the informational meetings, which are not part of this rule making. The proposed amendments address the corridor of an approved pipeline while Consumer Advocate's comments address the corridor proposed at an informational meeting. Since the comments concern Board rules that are not part of this rule making, the comments are beyond the scope of the notice and no modification to the proposed amendments is necessary or appropriate.

IPL points out an inconsistency between existing rules 199 IAC 10.3 and 10.6. Rule 10.3 requires an informational meeting be held for pipelines "to be operated at a pressure of over 150 pounds per square inch." Rule 10.6 requires a pipeline permit to be obtained for "any pipeline which will be operated at a pressure of 150 pounds per square inch gage or more." IPL states that this inconsistency has caused confusion.

Although the two rules addressed by IPL serve different purposes, the Board agrees that the requirements should be consistent. However, these rules were not part of the proposed amendments and so are outside the scope of this rule making. The Board will consider removing the inconsistency in the next rule making involving chapter 10.

Based upon its review of the comments, the Board will adopt the proposed amendments to chapters 10, 12, and 13 as shown on the attachment to this order and incorporated herein by reference.

IT IS THEREFORE ORDERED:

1. A rule making identified as Docket No. RMU-03-5 is adopted.
2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin an "Adopted and Filed" notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 29th day of May, 2003.

UTILITIES DIVISION [199]

Adopted and Filed

Pursuant to Iowa Code sections 476.1, 476.2, 479.1, 479.5, 479.6, 479.17, 479A.1, 479A.10, 479B.1, 479B.5, 479B.14, and 17A.4, the Utilities Board (Board) issued an order on May 29, 2003, in Docket No. RMU-03-5, In re: Gas Pipeline and Storage Rules Revisions; Executive Orders No. 8 and 9, Required Revisions to Chapters 10, 12, and 13, "Order Adopting Amendments." Notice of Intended Action published in IAB Vol. XXV, No. 20 (4/2/03) p. 1334, ARC 2374B. The rule making was commenced based upon the Board's review of its rules in response to Executive Order Numbers 8 and 9.

Timely comments were filed by the Consumer Advocate Division of the Department of Justice (Consumer Advocate), MidAmerican Energy Company (MidAmerican), and Interstate Power and Light Company (IPL). All comments supported the proposed amendments. The order adopting amendments contains a discussion of the comments and the Board responses. The order is available on the Board's Web site at www.state.ia.us/iub. No oral presentation was scheduled or requested.

These amendments are intended to implement Iowa Code sections 476.1, 476.2, 479.1, 479.5, 479.6, 479.17, 479A.1, 479A.10, 479B.1, 479B.5, 479B.14, and 17A.4.

The following amendments are adopted to become effective July 30, 2003.

Item 1. Amend the title of **199—Chapter 10** as follows:

CHAPTER 10
INTRASTATE GAS AND ~~HAZARDOUS LIQUID PIPELINES AND UNDERGROUND~~
GAS STORAGE

Item 2. Amend rule 199—10.1(479) as follows:

199—10.1(479) Definitions General information.

10.1(1) Authority. The standards relating to intrastate gas and underground gas storage in this chapter are prescribed by the Iowa utilities board (board) pursuant to Iowa Code section 479.17.

10.1(2) Purpose. The purpose of this chapter is to establish standards for a petition for a permit to construct, maintain, and operate an intrastate gas pipeline and for the underground storage of gas. In addition, the rules in this chapter set forth safety standards for the construction, maintenance, and condition of pipelines, underground storage facilities, and equipment used in connection with pipelines and facilities.

10.1(3) Definitions. ~~Terms~~ Technical terms ~~not otherwise herein defined in this chapter~~ shall be understood to have their usual meaning as defined in the appropriate standard adopted in rule 199—10.12(479). For the administration and interpretation of this chapter, the following words and terms, when used in these rules, shall have the meanings indicated below:

10.1(4) ~~“Approximate right angle” shall mean~~ means within 5 degrees of a 90 degree angle.

10.1(2) ~~“Board” shall mean~~ means the utilities board within the utilities division of the department of commerce.

~~10.1(3)~~ "Multiple line crossing" ~~shall mean~~ means a point at which a proposed pipeline will either overcross or undercross an existing pipeline.

~~10.1(4) Rescinded IAB 11/19/97, effective 12/24/97~~

~~10.1(5)~~ "Permit" ~~shall mean~~ means a new, amended, or renewal permit issued after appropriate application to and determination by the board.

~~10.1(6)~~ "Pipeline" ~~shall mean~~ means any pipe, pipes, or pipelines used for the intrastate transportation or transmission of any solid, liquid, or other gaseous substance, except water ~~natural or other gasses~~.

~~10.1(7)~~ "Pipeline company" ~~shall mean~~ means any person, firm, copartnership, association, corporation, or syndicate engaged in or organized for the purpose of owning, operating, or controlling pipelines for the intrastate transportation or transmission of any solid, liquid, or gaseous substance, except water.

~~10.1(8)~~ "Renewal permit" ~~shall mean~~ means the extension and reissuance of a permit after appropriate application to and determination by ~~this~~ the board.

~~10.1(9)~~ "Underground storage" ~~shall mean~~ means storage of gas in a subsurface stratum or formation of the earth.

~~10.1(10) Terms not defined. Technical terms not defined shall be as defined in the appropriate standard adopted in rule 10.12(479).~~

Item 3. Amend subrule 10.2(1) as follows:

10.2(1) A petition for a permit shall be made to the board upon the form prescribed and shall include all required exhibits. The petition shall be considered as filed upon receipt at the office of the board. An original and ~~one copy~~ two copies of the petition and exhibits shall be filed. Required exhibits shall be in the following form:

a. Exhibit "A." A legal description showing, at minimum, the general direction of the proposed route through each quarter section of land to be crossed, including township and range and whether on private or public property, public highway or railroad right-of-way, together with such other information as may be deemed pertinent. Construction deviation of ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) from proposed routing will be permitted.

If it becomes apparent that there will be deviation of greater than ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) in some area from the proposed route as filed with ~~this~~ the board, construction of ~~such~~ the line in ~~such~~ that area shall be suspended. Exhibits A, B, E, and F reflecting ~~such~~ the deviation shall be filed, and the procedures hereinafter set forth to be followed upon the filing of a petition for permit shall be followed.

b. Exhibit "B." Maps showing the proposed routing of the pipeline. Strip maps will be acceptable. Two copies of such maps shall be filed. The maps may be to any scale appropriate for the level of detail to be shown, but not smaller than one inch to the mile. The following minimum information shall be provided:

(1) The route of the pipeline which is the subject of the petition, including the starting and ending points, and when paralleling a road or railroad, which side it is on. Multiple pipelines on the same right-of-way shall be indicated.

(2) The name of the county, county and section lines, and section, township and range numbers.

(3) to (5) No change.

c. to k. No change.

Item 4. Amend subrule 10.4(1) as follows:

10.4(1) When a proper petition for permit is received by the board, it shall be docketed for hearing and the petitioner shall be advised of the time and place of hearing, except as provided for in rule 199—10.8(479). Petitioner shall also be furnished copies of the official notice of hearing which petitioner shall cause to be published once each week for two consecutive weeks in ~~some~~ a newspaper of general circulation in each county in or through which construction is proposed. The second publication shall be not less than 10 nor more than 30 days prior to the date of the hearing. Proof of such publication shall be filed prior to or at ~~such~~ the hearing, ~~together with receipts showing that the costs of such publication have been paid by the petitioner.~~

The published notice shall include a map showing either the pipeline route or the area affected by underground gas storage, or a telephone number and an address through which interested persons can obtain a copy of a map from petitioner at no charge. If a map other than that filed as Exhibit B will be published or provided, a copy shall be filed with the petition.

Item 5. Amend rule 199—10.7(479) as follows:

199—10.7(479) Pipeline permit. If after hearing and appropriate findings of fact it is determined a permit should be granted, a pipeline permit ~~will~~ shall be issued. Otherwise ~~such~~ the petition shall be dismissed with or without prejudice. Where proposed construction has not been established definitely, the permit will be issued on the route or location as set forth in the petition, subject to deviation of up to ~~460~~ 660 feet (one-eighth mile) on either side of the proposed route. If the proposed

construction is not completed within two years from the date of issue, subject to extension at the discretion of ~~this~~ the board, the permit shall be void and of no further force or effect. Upon completion of the proposed construction, maps accurately showing the final routing of the pipeline shall be filed with the board.

A pipeline permit shall normally expire 25 years from date of issue. No ~~such~~ permit shall ever be granted for a longer period than 25 years.

Item 6. Amend rule 199—10.8(479) as follows:

199—10.8(479) Renewal permits. ~~Petition~~ A petition for renewal of an original or previously renewed pipeline permit may be filed at any time subsequent to issuance of the permit and prior to ~~the expiration thereof~~ of the permit. ~~Such~~ The petition shall be made on the form prescribed by ~~this~~ the board. Instructions for the ~~use thereof~~ petition are included as a part of ~~such~~ the form. The procedure for petition for permit shall be followed with respect to publication of notice, objections, ~~hearing~~, and assessment of costs. If review of the petition finds unresolved issues of fact or law, or if an objection is filed within 20 days of the second publication of the published notice, the matter will be set for hearing. If a hearing is not required, a renewal permit will be issued upon the filing of the proof of publication required by 199—10.4(479). Renewal permits shall normally expire 25 years from date of issue. No such permit shall be granted for a period longer than 25 years. The same procedure shall be followed for subsequent renewals.

This rule is intended to implement Iowa Code sections 476.2 and 479.23.

Item 7. Amend subrule 10.9(1) as follows:

10.9(1) An amendment of pipeline permit by the board is required in any of the following circumstances:

a. No change.

b. Extension of an existing pipeline of petitioner by more than ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile);

c. Relocation of an existing pipeline of petitioner which:

(1) Relocates the pipeline more than ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) from the route approved by the board; or

(2) Involves relocation requiring new or additional interests in property for five miles or more of pipe to be operated at over 150 psig. Informational meetings as provided for by rule ~~199—~~10.3(479) shall be held for these relocations.

d. and e. No change.

Item 8. Amend subrule 10.12(1) as follows:

Rescind paragraph **10.12(1)"e"** and reletter paragraph "f" as "e."

Amend the unlettered paragraph as follows:

Conflicts between the standards established in ~~the above~~ paragraphs 10.12(1)"a" through "e" or between the requirements of ~~this rule~~ 199—10.12(479) and other requirements which are shown to exist by appropriate written documentation filed with the board shall be resolved by the board.

Item 9. Amend paragraph **10.18(1)"b"** as follows:

b. Relocation of more than 300 feet from the original alignment, or any relocation that would bring the pipeline ~~to~~ within 300 feet of an occupied residence.

Relocations of ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) or more shall require the filing of a petition for permit.

Item 10. Amend paragraph **10.18(1)"f"** as follows:

f. Extensions of existing pipelines by ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) or less.

Item 11. Rescind rule **199—10.20(479)**.

Item 12. Amend rule 199—12.1(479A) as follows:

199—12.1(479A) Definitions General information.

12.1(1) Authority. The standards relating to interstate natural gas pipelines and underground gas storage in this chapter are prescribed by the Iowa utilities board pursuant to Iowa Code section 479A.1.

12.1(2) Purpose. The purpose of this chapter is to establish standards regarding the transportation of natural gas to protect landowners and tenants from environmental or economic damages resulting from the construction, operation, or maintenance of pipelines.

12.1(3) Definitions. Terms not otherwise defined in this chapter shall be understood to have their usual meaning. Technical terms not defined shall be as defined by the U.S. Department of Transportation, Office of Pipeline Safety. For the administration and interpretation of this chapter, the following words and terms, when used in these rules, shall have the meanings indicated below:

“Board” ~~shall mean~~ means the Iowa utilities board within the utilities division of the department of commerce.

“Construction” ~~shall mean~~ means the placement or replacement of pipe in the earth, excluding maintenance, repair, or emergency work affecting only short sections of a company’s pipeline facilities.

“Pipeline” ~~shall mean~~ means any pipe, pipes, or pipelines and appurtenances thereto used for the transportation of natural gas in interstate commerce within or through this state.

“Pipeline company” ~~shall mean~~ means a person engaged in or organized for the purpose of owning, operating, or controlling pipelines used for the interstate transportation of natural gas.

“Underground storage” ~~shall mean~~ means the storage of natural gas in a subsurface stratum or formation of the earth by a pipeline company engaged in interstate commerce.

Item 13. Amend rule 199—12.7(479A) as follows:

199—12.7(479A) Land restoration. Pipelines shall be constructed in compliance with 199 IAC Chapter 9 ~~“Protection of Underground Improvements and Soil Conservation Structures and Restoration of Agricultural Lands After Pipeline Construction”~~ Restoration of Agricultural Lands During and After Pipeline Construction.

Item 14. Amend the title of **199—Chapter 13** as follows:

CHAPTER 13
INTERSTATE HAZARDOUS LIQUID PIPELINES AND UNDERGROUND
STORAGE

Item 15. Amend rule 199—13.1(479B) as follows:

199—13.1(479B) Definitions General information.

13.1(1) Authority. The standards in this chapter relating to hazardous liquid pipelines and underground storage of hazardous liquids are prescribed by the Iowa utilities board pursuant to Iowa Code section 479B.1.

13.1(2) Purpose. The purpose of this chapter is to establish standards for a petition for a permit to construct, maintain, and operate a hazardous liquid pipeline and for the underground storage of hazardous liquids.

13.1(3) Definitions. Words and terms not otherwise defined in this chapter shall be understood to have their usual meaning. ~~The~~ For the administration and interpretation of this chapter, the following words and terms, when used in these rules, shall have the ~~meaning~~ meanings indicated below:

“Approximate right angle” means within 5 degrees of a 90 degree angle.

“Board” means the utilities board within the utilities division of the department of commerce.

“Hazardous liquid” means crude oil, refined petroleum products, liquefied petroleum gases, anhydrous ammonia, liquid fertilizers, liquefied carbon dioxide, alcohols, and coal slurries.

“Multiple line crossing” means a point at which a proposed pipeline will either cross over or under an existing pipeline.

“Permit” means a new, amended, or extended permit issued after appropriate application to and determination by the board.

“Pipeline” means any pipe or pipeline and necessary appurtenances used for the transportation or transmission of any hazardous liquid.

“Pipeline company” means any person, firm, copartnership, association, corporation, or syndicate engaged in or organized for the purpose of owning, operating, or controlling pipelines for the ~~interstate~~ transportation or transmission of any hazardous liquid or underground storage facilities for the underground storage of any hazardous liquid.

“Renewal permit” means the extension and reissuance of a permit after appropriate application to and determination by the board.

“Underground storage” means storage of hazardous liquid in a subsurface stratum or formation of the earth.

Item 16. Amend subrule 13.2(1) as follows:

13.2(1) A petition for a permit shall be made to the board upon the form prescribed and shall include all required exhibits. The petition shall be considered as filed upon receipt at the office of the board. An original and two copies of the petition and exhibits shall be filed. Required exhibits shall be in the following form:

a. Exhibit "A." A legal description showing, at minimum, the general direction of the proposed route through each quarter section of land to be crossed, including township and range and whether on private or public property, public highway or railroad right-of-way, together with other information as may be deemed pertinent. Construction deviation of ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) from proposed routing will be permitted.

If it becomes apparent there will be a deviation of greater than ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) in some area from the proposed route as filed with the board, construction of the line in the area shall be suspended. Exhibits A, B, E,

and F reflecting the deviation shall be filed, and the procedure set forth shall be followed upon the filing of a petition for amendment of a permit.

b. Exhibit "B." Maps showing the proposed routing of the pipeline. Strip maps will be acceptable. Two copies of the maps shall be filed. The maps may be to any scale appropriate for the level of detail to be shown, but not smaller than one inch to the mile. The following minimum information shall be provided:

(1) No change.

(2) The name of the county, county and section lines, and section, township and range numbers.

(3) to (5) No change.

c. to k. No change.

Item 17. Amend subrule 13.4(1) as follows:

13.4(1) When a proper petition for permit is received by the board, it shall be docketed for hearing and the petitioner shall be advised of the time and place of hearing, except as provided for in rule 13.8(479B). Petitioner shall also be furnished copies of the official notice of hearing which petitioner shall cause to be published once each week for two consecutive weeks in a newspaper of general circulation in each county in or through which construction is proposed. The second publication shall be not less than 10 nor more than 30 days prior to the date of the hearing. Proof of publication shall be filed prior to or at the hearing, ~~together with receipts showing that the costs of publication have been paid by the petitioner.~~

The published notice shall include a map showing either the pipeline route or the area affected by underground gas storage, or a telephone number and an address through which interested persons can obtain a copy of a map from petitioner at no

charge. If a map other than that filed as Exhibit B will be published or provided, a copy shall be filed with the petition.

Item 18. Amend rule 199—13.7(479B) as follows:

199—13.7(479B) Pipeline permit. If after hearing and appropriate findings of fact it is determined a permit should be granted, a permit ~~will~~ shall be issued. Otherwise, the petition shall be dismissed with or without prejudice. Where proposed construction has not been established definitely, the permit will be issued on the route or location as set forth in the petition, subject to deviation of up to ~~160 rods~~ 660 feet (one-eighth mile) on either side of the proposed route. If the proposed construction is not completed within two years from the date of issue, subject to extension at the discretion of the board, the permit shall be void and of no further force or effect. Upon completion of the proposed construction, maps accurately showing the final routing of the pipeline shall be filed with the board.

A permit shall normally expire 25 years from date of issue. No permit shall be granted for a period longer than 25 years.

Item 19. Amend rule 199—13.8(479B) as follows:

199—13.8(479B) Renewal permits. ~~Petition~~ A petition for renewal of permit may be filed at any time subsequent to issuance of a permit and prior to expiration. The petition shall be made on the form prescribed by the board. Instructions for the ~~use thereof~~ petition are included as a part of the form. The procedure for petition for permit shall be followed with respect to publication of notice, objections, ~~hearing~~, and assessment of costs. If review of the petition finds unresolved issues of fact or law, or if an objection is filed within 20 days of the second publication of the published notice, the matter will be set for hearing. If a hearing is not required, a renewal

permit will be issued upon the filing of the proof of publication required by subrule 13.4(1). Renewal permits shall normally expire 25 years from date of issue. No permit shall be granted for a period longer than 25 years. The same procedure shall be followed for subsequent renewals.

This rule is intended to implement Iowa Code sections 476.2 and 479B.14.

Item 20. Amend subrule 13.9(1) as follows:

13.9(1) An amendment of pipeline permit by the board is required in any of the following circumstances:

- a. No change.
- b. Extension of an existing pipeline of petitioner by more than ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile);
- c. Relocation of an existing pipeline of petitioner which:
 - (1) Relocates the pipeline more than ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) from the route approved by the board; or
 - (2) Involves relocation requiring new or additional interests in property for five miles or more of pipe to be operated at over 150 psig. Informational meetings as provided for by rule 13.3(479B) shall be held for these relocations.

d. and e. No change.

Item 21. Amend rule 199—13.12(479B) as follows:

199—13.12(479B) Land restoration. Pipelines shall be constructed in compliance with 199 IAC Chapter 9, "Protection of Underground Improvements and Soil Conservation Structures and Restoration of Agricultural Lands After Pipeline Construction" Restoration of Agricultural Lands During and After Pipeline Construction."

Item 22. Amend paragraph 13.18(1)"b" as follows:

b. Relocation of more than 300 feet from the original alignment, or any relocation that would bring the pipeline to within 300 feet of an occupied residence.

Relocations of ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) or more shall require the filing of a petition for amendment of a permit.

Item 23. Amend paragraph 13.18(1)"e" as follows:

e. Extensions of existing pipelines by ~~160 rods (one-half mile)~~ 660 feet (one-eighth mile) or less.

Item 24. Rescind rule 199—13.20(479B).

May 29, 2003

/s/ Diane Munns

Diane Munns
Chairman